

State of Missouri
Office of Secretary of State

Case No. AP-07-62

IN THE MATTER OF:

COBBLE CREEK HOMES, LLC;
MARK COPE; and
DAVID COPE,

Respondents.

Serve:

Cobble Creek Homes, LLC , and Mark Cope at:
2508 W. Avenue J-13
Lancaster, CA 93536

and

793 Woodwind Drive
Nixa, Missouri 65714

David Cope at:
64 Pebble Beach Road
Clever, Missouri 65810

**FINAL ORDER TO CEASE AND DESIST AND ORDER IMPOSING
CIVIL PENALTIES AND COSTS**

On the April 9, 2008, the Enforcement Section of the Securities Division, by and through Mary S. Hosmer, Assistant Commissioner, submitted a Motion for Default Judgement and Petition for Final Order to Cease and Desist and Payment of Civil Penalties and Costs (the "Petition"). After reviewing the Petition and other documents described below, the Missouri Commissioner of Securities Matt Kitzi issues the following Final Order imposing civil penalties, costs, and restitution obligations:

PROCEDURAL BACKGROUND

1. On December 17, 2007, the Missouri Commissioner of Securities issued an Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should not be Imposed, Order AP-07-62.
2. On January 17, 2008, Mark Brinkman, as counsel for Respondent Mark Cope, requested a hearing in this matter.
3. No other Respondents requested a hearing in this matter.
4. On January 24, 2008, the Commissioner issued an order setting a hearing in this

matter for April 10, 2008.

5. On March 4, 2008, the Commissioner received a letter purporting to be submitted by Mark Cope on his own behalf and on behalf of Respondent Cobble Creek Homes, LLC (the "March 4 Letter"). The March 4 Letter, which was not notarized or otherwise verified, and was sent by facsimile only, stated, among things:
 - a. that Mark Cope is no longer represented by Mark Brinkman;
 - b. that it was Mark Cope's intent that the March 4 Letter would be his only filing in this matter;
 - c. that the Respondents "borrowed the money from [a Missouri resident];"
 - d. that Mark Cope had established a schedule with the Missouri resident for paying that resident \$21,900 in principal and \$18,000 in interest and legal fees;
 - e. that Mr. Cope sent the March 4 Letter in lieu of appearing in person or otherwise contacting the Division or the Commissioner, and that Mark Cope intended the March 4 Letter "to serve as [his] petition and response for both the pre-hearing and hearing;" and
 - f. that Mark Cope wished not to be fined in this matter.
6. The March 4 Letter at no point mentions or addresses the allegations against David Cope.
7. The March 4 Letter does not comply with the requirements for answers and pleadings established in MO 15 CSR 30-55.030.
8. None of the Respondents appeared at or arranged for teleconference participation in the pre-hearing conference set by Order of the Commissioner.
9. At the pre-hearing conference on March 5, 2008, Ms. Hosmer informed the Commissioner of her intent to pursue resolution in this matter based in part on Mark Cope's apparent arrangement with one of the Missouri investors, and to accept the March 4 Letter as the sole filing and communication from Respondents in this matter.
10. The period for requesting a hearing in this matter for David Cope has expired, and David Cope has not requested a hearing or otherwise contacted the Division or the Commissioner in any manner.
11. In the Petition, the Enforcement Section requested, among other things:
 - a. the issuance of a Final Order to Cease and Desist in this matter as to all Respondents;
 - b. the imposition of a civil penalty against each Respondent for violations of Sections 409.3-301 and 409.5-501, RSMo. (Cum. Supp. 2007), subject to the suspension of such penalty conditioned upon each Respondent's compliance with a specific repayment plan described in Paragraph H of the Petition and noted in Paragraph E below;

- c. the imposition of a civil penalty against each of Respondent Mark Cope and David Cope for violations of Sections 409.4-402(a), RSMo. (Cum. Supp. 2007), subject to the suspension of such penalty conditioned upon each Respondent's compliance with a specific repayment plan described in Paragraph H of the Petition and noted in Paragraph E below;
- d. the imposition of a civil penalty against Respondent Cobble Creek Homes, LLC, for violations of Sections 409.4-402(d), RSMo. (Cum. Supp. 2007), subject to the suspension of such penalty conditioned upon each Respondent's compliance with a specific repayment plan described in Paragraph H of the Petition and noted in Paragraph E below; and
- e. an order that Respondents pay the costs of the investigation in this matter in the amount of two thousand three hundred dollars (\$2,300).

ORDER

NOW, THEREFORE, it is hereby ordered that:

- A. The Cease and Desist Order entered in Case Number AP-07-62 on December 17, 2007, is FINAL as to all Respondents.
- B. Pursuant to Section 409.6-604(d), RSMo., Respondent Mark Cope shall pay, subject to Paragraph E, below, the sum of three thousand dollars (\$3,000) to the State of Missouri as civil penalties for multiple violations of Sections 409.3-301, 409.4.402, and 409.5-501, RSMo. (Cum. Supp. 2007). This amount shall be sent to the Secretary of State and made payable to the State of Missouri, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Mark Cope shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- C. Pursuant to Section 409.6-604(d), RSMo., Respondent Cobble Creek Homes, LLC, shall pay, subject to Paragraph E, below, the sum of three thousand dollars (\$3,000) to the State of Missouri as civil penalties for multiple violations of Sections 409.3-301, 409.4.402, and 409.5-501, RSMo. (Cum. Supp. 2007). This amount shall be sent to the Secretary of State and made payable to the State of Missouri, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Cobble Creek Homes, LLC, shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- D. Pursuant to Section 409.6-604(d), RSMo., Respondent David Cope shall pay the sum of four thousand five hundred dollars (\$4,500) to the State of Missouri as civil penalties for multiple violations of Sections 409.3-301, 409.4.402, and 409.5-501, RSMo. (Cum. Supp. 2007). This amount is not subject to suspension, waiver or forgiveness under Paragraph E below, and shall be sent to the Secretary of State and made payable to the State of Missouri, and the

Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent David Cope shall deliver this payment, within thirty (30) days of the date of this Order, to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102. In the event that Respondent David Cope fails to make the payments described in this paragraph, the Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409.6-604, RSMo. (Cum. Supp. 2007).

- E. The payment of penalties described in Paragraphs B and C, above, shall be and are hereby suspended provided that the restitution payments totaling thirty nine thousand nine hundred dollars (\$39,900) to be made to the Missouri resident as described in the March 4 Letter are indeed made, and upon final payment and complete satisfaction of the terms established in the March 4 Letter, such payment of penalties described in Paragraphs B and C, above, shall be waived entirely. If Respondent Mark Cope or Respondent Cobble Creek Homes, LLC, fails to make any payment required hereunder and described in the March 4 Letter, the full payment of penalties described in Paragraphs B and C, above, shall be immediately due and payable, and the Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409.6-604, RSMo. (Cum. Supp. 2007).
- F. The Enforcement Section shall contact the Missouri investor described in the March 4 Letter no less than once every three months to determine whether the payment terms described in the March 4 Letter and required under Paragraph E, above, are being properly executed, and shall report any failures or noncompliance to the Commissioner. To demonstrate full compliance with the payments terms established in the March 4 Letter and required under Paragraph E, above, Respondents Mark Cope and/or Cobble Creek Homes, LLC, may submit periodic written updates or other indicia of compliance to the Commissioner.
- G. Pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2007), Respondents Mark Cope, David Cope and Cobble Creek Homes shall pay, within thirty (30) days from the date of this Order, the sum of two thousand three hundred dollars (\$2,300) as reimbursement for the costs of the investigation and administration of this matter. Respondents shall be jointly and severally liable for this amount. This amount shall be sent to the Secretary of State and made payable to the Missouri Secretary of State's Investor Education and Protection Fund. Respondents shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102. In the event that Respondents fail to make the payments described in this paragraph, the Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409.6-604, RSMo. (Cum. Supp. 2007).
- H. Respondents shall pay their own costs and attorneys' fees arising from this matter.
- I. This Order is in the public interest and is consistent with the purposes intended by the Missouri Securities Act of 2003.

SO ORDERED.

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 15th DAY OF APRIL, 2008.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

I hereby certify that on this 15th day of April, 2008, a copy of the foregoing FINAL ORDER TO CEASE AND DESIST AND ORDER IMPOSING CIVIL PENALTIES AND COSTS, filed in the above-styled case, **was mailed by certified U.S. Mail, postage prepaid, to:**

Mark Cope and Cobble Creek Homes, LLC
2508 W. Avenue J-13
Lancaster, CA 93536

and

Mark Cope and Cobble Creek Homes, LLC
793 Woodwind Drive
Nixa, Missouri 65714

David Cope
64 Pebble Beach Road
Clever, Missouri 65810

And by regular US Mail to:

Mark Brinkman
Palmer Oliver, PC
205 Park Central East, Suite 511
Springfield, MO 65806
Formerly Counsel for Mark Cope

and by hand-delivery to:

Mary S. Hosmer
Assistant Commissioner
Enforcement Section, Securities Division

John Hale, Specialist